

Pepsi Bottlers to Buy Energy-Subsidy Vouchers

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[PepsiCo](#) Inc.'s three largest U.S. bottlers will buy renewable energy certificates, which subsidize power generation from the sun, wind and other sources.

The \$1.1 million purchase of about 630 million kilowatt-hours of RECs annually through 2009 by [Pepsi Bottling Group](#) Inc., Somers, N.Y., [PepsiAmericas](#) Inc., Minneapolis, and [Pepsi Bottling Ventures](#) LLC, Raleigh, N.C., follows news that Pepsi, Purchase, N.Y. would buy more than 1.1 billion kilowatt-hours of RECs a year through 2009, at about \$2 million a year, making Pepsi the largest green-energy buyer, says the Environmental Protection Agency.

Renewable energy certificates are growing in popularity among U.S. companies seeking to burnish their reputations with environmentally conscious consumers. Each certificate represents a purchase of a certain amount of green power, which replaces electricity that would have been generated using fossil fuels. The certificates show a commitment to renewable energy resources, while companies tackle the daunting challenge of reducing consumption in their operations.

Since January 2006, the volume of green-power purchases has more than doubled increased nearly 163% to more than 10 billion kilowatt-hours, said Marcus Peacock, deputy administrator for the EPA.

PepsiCo negotiated the REC purchases for the three bottlers, which will buy the certificates from Sterling Planet Inc., a green-power marketer, said Rob Schasel, PepsiCo's director of energy, utilities and resource conservation. The 630 million kilowatt-hours of RECs being bought are equivalent to the amount of electricity used in the bottlers' U.S. operations. Announcement of the REC purchases is expected today.

Beverage and snack maker PepsiCo has been pushing to accelerate its environmental efforts and "leave a positive footprint" by replenishing resources, Chairman and Chief Executive Indra Nooyi said in a recent

interview. The company is trying to reduce water consumption and increase its usage of recyclable packaging, partly in response to criticism.

Meanwhile, PepsiCo has reduced electricity consumption at its Frito-Lay facilities by about 20% since 1999, Mr. Schasel said. PepsiCo also recently joined the U.S. Climate Action Partnership, a group of businesses and environmental organizations advocating federal legislation to reduce greenhouse gas emissions. "We believe a cap and trade system is absolutely necessary to achieve a cost-effective approach," Mr. Schasel said.

Ranking second behind PepsiCo's annual purchase is San Francisco-based banking company Wells Fargo & Co., which has bought 550 million kilowatt-hours of RECs, according to the EPA. The federal agency's latest list, being released today, will show Pepsi Bottling Group as the fourth-largest buyer and PepsiAmericas as 13th, according to the EPA.

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